

(CSE:VRNO) (OTCQX:VRNOF)

3Q21

EARNINGS PRESENTATION

GEORGE ARCHOS, CEO | BRIAN WARD, CFO



Before We Begin

FORWARD-LOOKING INFORMATION

This presentation contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control.

Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information and forward-looking statements contained herein include, but are not limited to statements or information with respect to the Company's position in the marketplace, the proposed completion or buildout of Company facilities, the Company's cultivation capacity, the completion of pending acquisitions, the accretive nature of acquisitions, the fortification of the Company's presence in core markets, the possibility of material organic expansion, delivery of shareholder value and the ability to maintain industry-leading margins and add depth to leadership.

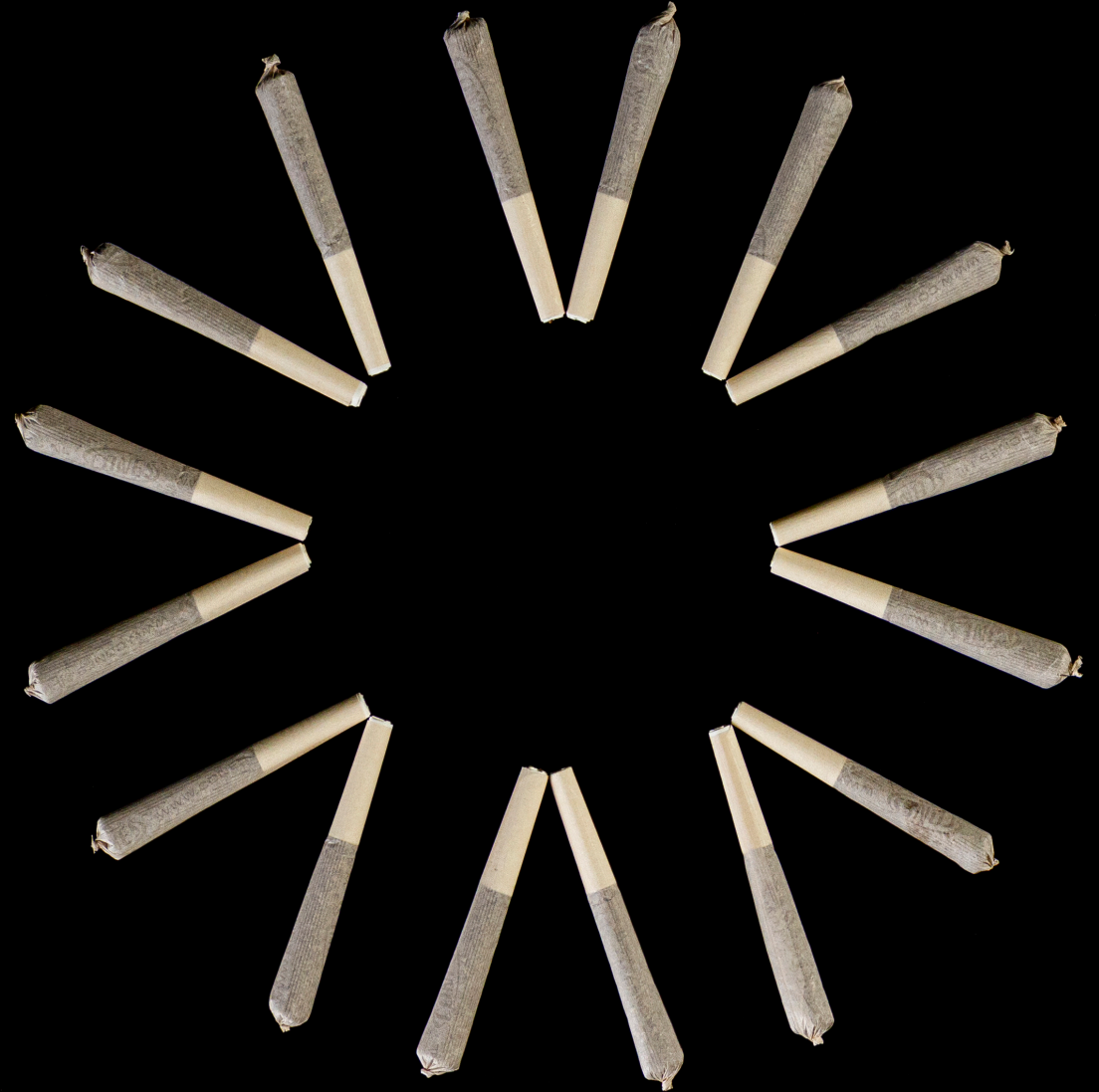
Forward-looking information and statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors which may cause actual events, results, performance, or achievements of the Company to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking information and statements herein, including, without limitation, the risk factors discussed in the Company's filings on SEDAR at www.sedar.com. The forward-looking information and forward-looking statements contained in this presentation are made as of the date of this presentation, and the Company does not undertake to update any forward-looking information or forward-looking statements that are contained or referenced herein, except as may be required in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to the Company or persons acting on its behalf is expressly qualified in its entirety by this notice regarding forward-looking information and statements.

AGENDA

01 Business Update

02 Financial Results

03 Q&A



01



BUSINESS UPDATE



BUILDING A POWERHOUSE CANNABIS COMPANY

3Q21 was another foundational quarter for growth

1 Pieces of growth in place with ample runway

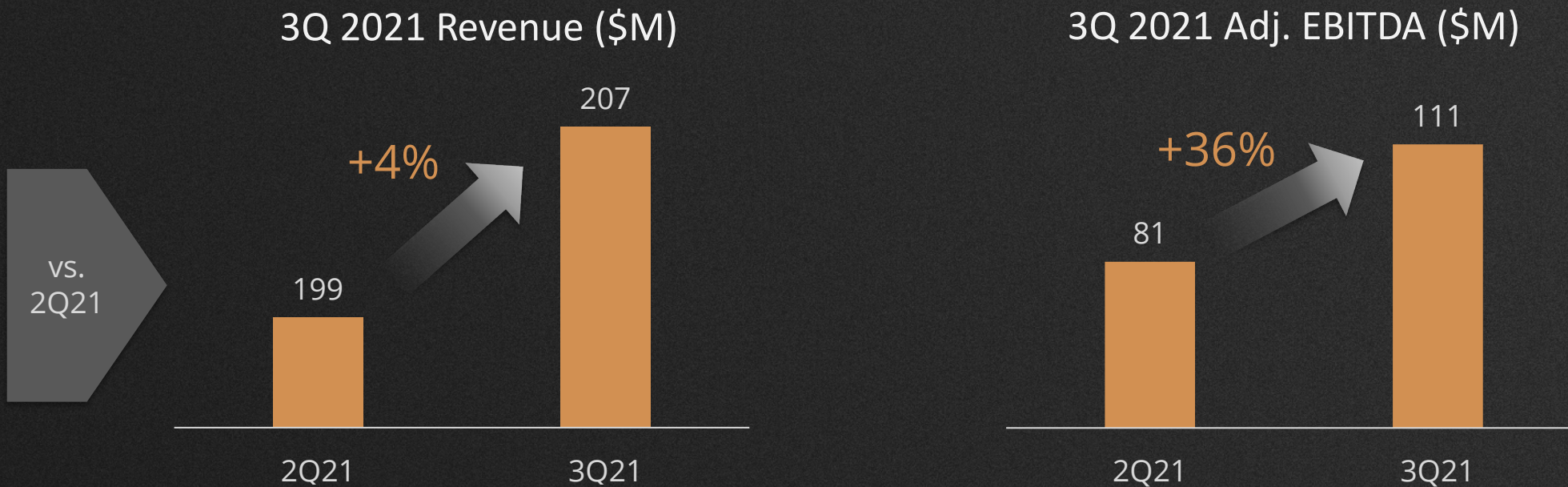
2 Margin expansion

3 Strengthening portfolio and improving financial flexibility



DELIVERING STEADY GROWTH

Measured top-line gains with strong margin expansion

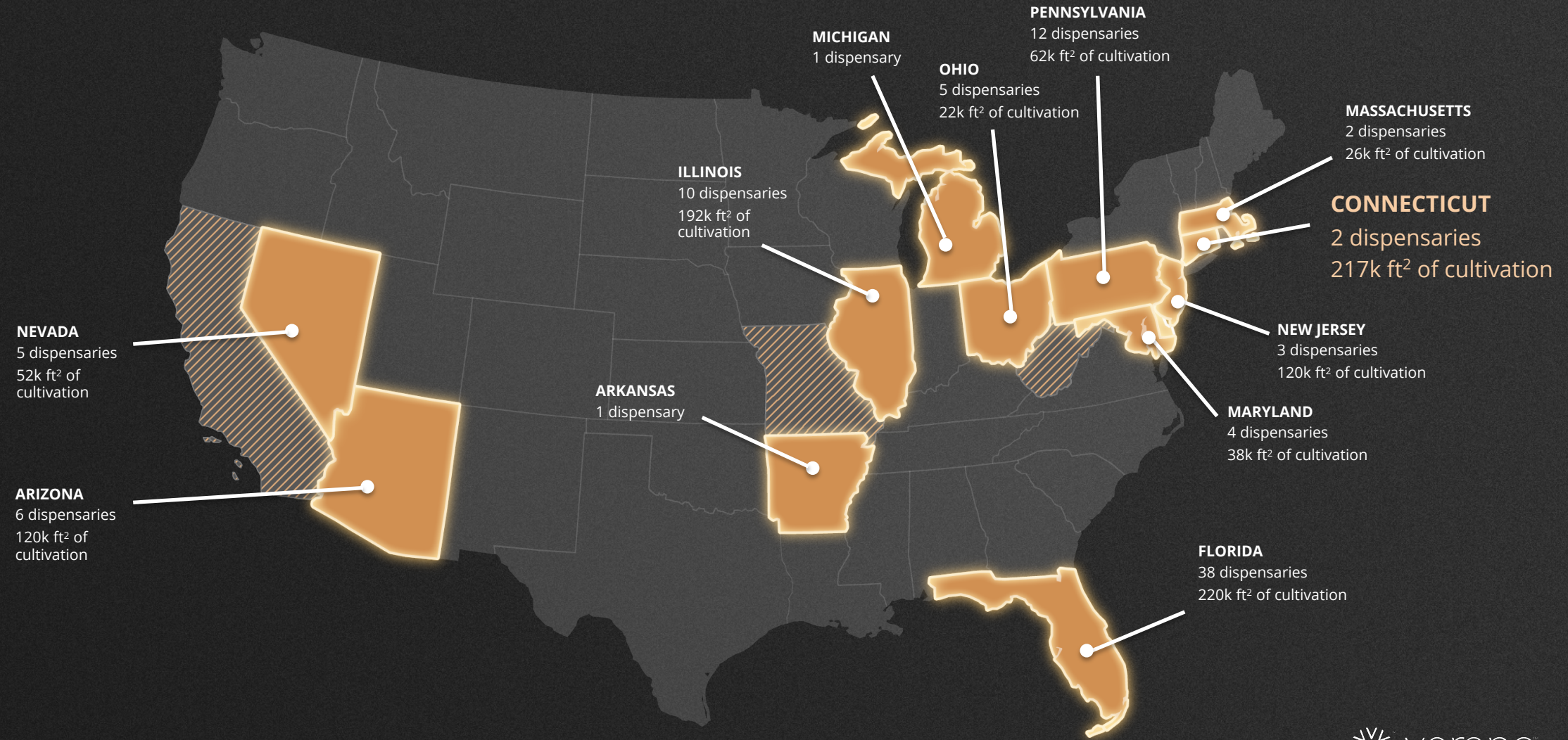


Adjusted EBITDA is a Non-IFRS financial measure calculated herein as EBITDA adjusted for one-time expenses related to other expenses, gain from investment in associates and acquisition related costs.



THOUGHTFUL M&A CONTINUES WITH CONNECTICUT ACQUISITIONS

Increasing our strategic Northeastern footprint in highly populated and limited license states



* Includes the contribution from the pending acquisitions and the completion of planned construction. In addition, includes: (1) licenses directly owned, managed, or operated; (2) those licenses with which Verano has executed management agreements or other commercial agreements; and/or (3) those licenses to which Verano has a purchase option.

02



FINANCIAL RESULTS



Q3 FINANCIAL RESULTS FLEX OUR OPERATIONAL PROWESS

Adj. EBITDA up \$29M QoQ

<i>\$USD thousands</i>	3Q 2021	2Q 2021	3Q 2020
Revenue	\$206,828	\$198,707	\$100,549
Gross Profit	\$133,369	\$100,129	\$68,956
Net Income excluding biological assets	\$103,715	\$31,751	\$34,387
Adj. EBITDA	\$110,697	\$81,474	\$55,648

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FINANCIAL FLEXIBILITY

Strong financial health to support organic and inorganic growth

- ▶ Unencumbered by sale leasebacks
- ▶ Prudent increases in debt ahead of growth
 - Debt upsize of \$120m, to a total **\$250m**, at improved terms
 - Working capital of **\$162m**
- ▶ Ability to self fund Capex
 - Free cash flow of **\$35m**

Summary Balance Sheet

<i>\$USD thousands</i>	As of Sept. 30, 2021
Cash	\$56,937
Total Assets	\$2,686,956
Debt	\$162,785
Total Liabilities	\$986,203

* Numbers for 3Q21 as of 9/30/21.



BUILDING A POWERHOUSE CANNABIS COMPANY

3Q21 was another foundational quarter for growth

1 Pieces of growth in place with ample runway

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03



Q&A

NON-IFRS FINANCIAL MEASURES

This presentation refers to certain non-IFRS measures to evaluate the performance of the Company. The terms “EBITDA”, “Adjusted EBITDA” and “Free Cash Flow” do not have any standardized meaning prescribed within International Financial Reporting Standards (“IFRS”) and therefore may not be comparable to similar measures presented by other companies.

Such measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA is calculated herein as net earnings from operations before interest expense, tax expense, depreciation, and amortization. The Company presents the EBITDA on a consistent basis from period to period and gains and losses from one-time non-recurring events are eliminated. Adjusted EBITDA is calculated herein as EBITDA adjusted for one-time expenses related to other expenses, gain from investment in associates and acquisition related costs. Free Cash Flow is calculated herein as Cash Flow from Operations minus Capital Expenditures. Management believes that these non-IFRS financial measures provide useful information to readers as a supplement to reported IFRS financial information. Management reviews these non-IFRS financial measures on a regular basis and uses them to evaluate and manage the performance of the Company’s operations. These measures should be evaluated only in conjunction with the Company’s comparable IFRS financial measures.

(All amounts expressed in thousands of U.S. Dollars)

Verano Holdings Corporation Pro Forma
 Unaudited Reconciliation of Net Income to Adjusted EBITDA and Non-IFRS
 For the Three Months Ended September 30, 2021 and 2020

(\$ in thousands)	For the Three Months Ended		
	9/30/21 (Unaudited)	6/30/21 (Unaudited)	9/30/20 (Unaudited)
Net Income ¹	\$ 103,715	6,830	\$ 81,612
Depreciation and Amortization	9,851	9,404	3,498
Interest Expense, Net	8,068	5,531	2,868
Income Tax Expense	73,733	5,088	17,879
Earnings (Loss) Before Interest, Taxes, Depreciation and Amortization (EBITDA) (Non-IFRS)	\$ 195,367	\$ 26,853	\$ 105,858
Other expense (income), net	445	88	(3,161)
RTO, M&A, and Transaction Costs	1,062	6,923	48
Inventory Step Up	277	5,718.3	-
Employee Earnout Accrual	(2,642)	10,348	-
Other non-operating costs	4,992	6,623	128
Adjusted EBITDA (Non-IFRS)	\$ 199,501	\$ 56,553	\$ 102,873
Net Impact of Fair Value of Biological Assets	(88,804)	24,921	(47,226)
Adjusted EBITDA (non-IFRS), Net of Impact of Biological Assets	\$ 110,697	\$ 81,474	\$ 55,648